

- c. Transit Rate: Pacific shall pay a transit rate equal to the rate set in Paragraph V.B.1.c when Pacific uses a TCG switch to originate a call to a third party LEC, another CLC or another Pacific access tandem.
- 3. For intraLATA Toll Free Service calls where such service is provided by one of the Parties, the compensation set forth in Sections V.B.1.b and V.B.2.b, above, shall be charged by the Party originating the call rather than the Party terminating the call.
- 4. Each Party will calculate terminating interconnection minutes of use based on standard Automatic Message Accounting ("AMA") recordings made within each Party's network. These recordings are necessary for each Party to generate bills to the other Party.
- 5. Measurement of minutes of use over Local Interconnection Trunk groups shall be in actual conversation seconds. The total conversation seconds over each individual Local Interconnection Trunk Group will be totaled for the entire monthly bill-round and then rounded to the next whole minute.
- 6. Each Party will provide to the other, within 15 calendar days of executing this Agreement and thereafter on a quarterly basis, within 15 calendar days after the end of each quarter, a usage report with the following information regarding traffic terminated over the Local Interconnection Trunk arrangements:
  - a. Total traffic volume described in terms of minutes and messages and by call type (local, toll and other) terminated to each other over the Local Interconnection Trunk Groups, and
  - b. PLU.
- 7. Late payment charges for interconnection charges will be assessed as described in Pacific's CPUC 175-T Section 2.4.1.B and TCG's CPUC B-1 Section 9.2.
- 8. For California 900 calls (those 900 NXXs shown in the LERG as Pacific's 900 NXXs), TCG shall deliver calls originated over TCG-provided exchange services to the Local Interconnection Trunk Groups. For California 900 calls, TCG and Pacific will use their best efforts to negotiate and execute an arrangement for the rating and billing of such calls within 30 days of the execution of this Agreement. Until such agreement is executed, TCG may choose to block such calls, or TCG will agree to back-billing of such calls once the subsequent agreement is executed.

C. Compensation for Use of Facilities for Local Interconnection

1. Where the POI for the Local Interconnection Trunk Group is at an EIS arrangement other than in the same wire center as the Pacific access tandem where the Local Interconnection Trunk Group terminates, TCG will pay a monthly charge for the facility and EIS cross-connect equal to one channel termination at DS-1 rates (per DS-1 used for Local Interconnection Trunks) or DS-3 rates (per DS-3 used for Local Interconnection Trunks) according to Pacific's CPUC 175-T tariff, Section 6.8.2., in addition to the Switched Access elements in Paragraph V.B.1.b above. TCG may, at its option, choose to pay Pacific either the applicable Pacific tariffed DS-1 rates for those DS-1(s) used for Local Interconnection Trunks in a DS-3 facility, or pay the applicable Pacific tariffed DS-3 rate for each DS-3 facility used for Local Interconnection Trunks between the Parties.
2. Where the POI for the Local Interconnection Trunk Group is at an EIS arrangement in the same wire center as the Pacific access tandem where the Local Interconnection Trunk Group terminates, Pacific will pay TCG a monthly charge of one channel termination according to TCG's CPUC B-1 tariff, Section 1.6 (applicable to Pacific's territory), in addition to the Switched Access elements in Paragraph V.B.2.b above. Pacific may, at its option, choose to pay TCG either the applicable TCG tariffed DS-1 rates for those DS-1(s) used for Local Interconnection Trunks in a DS-3 facility, or pay the applicable TCG tariffed DS-3 rate for each DS-3 facility used for Local Interconnection Trunks between the Parties.

D. Maintenance of Service

A maintenance of service charge applies whenever either Party requests the dispatch of the other Party's personnel for the purpose of performing maintenance activity on the interconnection trunks, and any of the following conditions exist:

1. No trouble is found in the interconnection trunks; or
2. The trouble condition results from equipment, facilities or systems not provided by the Party whose personnel were dispatched; or
3. Trouble clearance did not otherwise require a dispatch, and upon dispatch requested for repair verification, the interconnection trunk does not exceed Maintenance Limits.

If a Maintenance of Service initial charge has been applied and trouble is subsequently found in the facilities of the Party whose personnel were dispatched, the charge will be canceled

Billing for Maintenance of Service is based on each half-hour or fraction thereof expended to perform the work requested. The time worked is categorized and billed at one of the following three rates:

1. basic time;
2. overtime; or
3. premium time

as defined for billing by Pacific in Pacific's tariff CPUC 175-T, Section 13 and in TCG's tariff CPUC A-1, Section 1.9.

E. End User Repair Call Referrals

1. In answering repair calls, neither Party shall make disparaging remarks about each other, nor shall they use these repair calls as the basis for internal referrals or to solicit customers to market services. Either Party may respond with factual information in answering customer questions.
2. TCG and Pacific will provide their respective repair numbers to one another on a reciprocal basis.

F. Busy Line Verification and Interrupt

1. Description

- a. Each Party shall establish procedures whereby its operator bureau will coordinate with the operator bureau of the other Party in order to provide Busy Line Verification ("BLV") and Busy Line Verification and Interrupt ("BLVI") services on calls between their respective end users. TCG will use its best efforts to implement this service in the second quarter of 1996. Until TCG implements this service, Pacific's operators will inform Pacific's customers that the number requested cannot be verified.
- b. BLV and BLVI inquiries between operator bureaus shall be routed using network-routable access codes published in the LERG over the Local Interconnection Trunks.

2. Compensation

Each Party shall charge the other Party for BLV and BLVI at the rates contained in their respective tariffs.

G     Directory Assistance

If either Party terminates directory assistance calls over the Local Interconnection Trunk Groups, it shall charge the other Party for such directory assistance calls at the rates contained in its tariff.

VI.    CONFIDENTIALITY OF DIRECTORY ASSISTANCE AND WHITE PAGES LISTINGS

Pacific will accord TCG's directory listings information the same level of confidentiality which Pacific accords its own directory listing information, and Pacific shall ensure that access to TCG's customer proprietary confidential directory information will be limited solely to those employees who immediately supervise or are directly involved in the processing and publishing of listings and directory delivery. Pacific will not use TCG directory listings for the marketing of telecommunications services.

VII.   RESPONSIBILITIES OF THE PARTIES

- A.     Pacific and TCG agree to treat each other fairly, nondiscriminatorily, and equally for all items included in this Agreement, or related to the support of items included in this Agreement.
- B.     TCG and Pacific agree to exchange such reports and/or data as provided in this Agreement in Sections V.B.6 to facilitate the proper billing of traffic. Either Party may request an audit of such usage reports on no fewer than 10 business days' written notice and any audit shall be accomplished during normal business hours at the office of the Party being audited (Staten Island, New York for TCG). Such audit must be performed by a mutually agreed-to independent auditor paid for by the Party requesting the audit and may include review of the data described in Sections V.B.4 and V.B.5, above. Such audits shall be requested within six months of having received the PLU factor and usage reports from the other Party.
- C.     TCG and Pacific will review engineering requirements on a quarterly basis and establish forecasts for trunk and facilities utilization provided under this Agreement. Pacific and TCG will work together to begin providing these forecasts by January 31, 1996. New trunk groups will be implemented as dictated by engineering requirements for either Pacific or TCG.
- D.     TCG and Pacific shall share responsibility for all Control Office functions for Local Interconnection Trunks and Trunk Groups, and both Parties shall share the overall coordination, installation, and maintenance responsibilities for these trunks and trunk groups.
- E.     TCG is responsible for all Control Office functions for the meet point trunking arrangement trunks and trunk groups, and shall be responsible for the overall

coordination, installation, and maintenance responsibilities for these trunks and trunk groups.

F. TCG and Pacific shall:

1. Provide trained personnel with adequate and compatible test equipment to work with each other's technicians.
2. Notify each other when there is any change affecting the service requested, including the due date.
3. Coordinate and schedule testing activities of their own personnel, and others as applicable, to ensure its interconnection trunks/trunk groups are installed per the interconnection order, meet agreed-upon acceptance test requirements, and are placed in service by the due date.
4. Perform sectionalization to determine if a trouble is located in its facility or its portion of the interconnection trunks prior to referring the trouble to each other.
5. Advise each other's Control Office if there is an equipment failure which may affect the interconnection trunks.
6. Provide each other with a trouble reporting number that is readily accessible and available 24 hours/7 days a week.
7. Provide to each other test-line numbers and access to test lines.

G. Bilateral Agreements

The Parties shall jointly develop and implement a bilateral agreement regarding technical and operational interfaces and procedures (see attachment for Pacific's proposed bilateral agreement template). The Parties will use their best good-faith efforts to finalize such agreement within 90 days of the effective date of this Agreement.

H. TCG and Pacific will provide their respective billing contact numbers to one another on a reciprocal basis.

VIII. TERM

Except as provided herein, TCG and Pacific agree to interconnect pursuant to the terms defined in this Agreement for a term of one (1) year, and thereafter the Agreement shall continue in force and effect unless and until terminated as provided herein. Either Party may terminate this Agreement by providing written notice of termination to the other

Party, such written notice to be provided at least 60 days in advance of the date of termination; provided, no such termination shall be effective prior to March 1, 1997. In the event of such termination as described herein, this Agreement shall continue without interruption until a) a new interconnection agreement becomes effective between the Parties, or b) the Commission determines that interconnection shall be by tariff rather than contract and both Pacific and TCG have in place effective interconnection tariffs. By mutual agreement, TCG and Pacific may amend this Agreement to modify the term of this Agreement.

#### IX. EFFECTIVE DATE

The Parties shall file this Agreement by Advice Letter on or before January 17, 1996, and it shall become effective on the date 14 calendar days after the filing, unless rejected by CACD.

#### X. INSTALLATION OF TRUNKS

The Parties intend to use their best efforts to provision the initial Local Interconnection Trunk orders no later than March 1, 1996. Because January 18, 1996 is the date Pacific will have its operational systems prepared to process two-way Local Interconnection Trunk orders, initial Local Interconnection Trunk orders are those order which are received by Pacific from TCG on or before January 18, 1996. Additional trunks shall be provisioned pursuant to Section XIII below. From the effective date of this Agreement until all of the initial Local Interconnection Trunk Groups in a particular LATA are provisioned or March 1, 1996, whichever is sooner, the Parties agree that:

1. all local calls originated by TCG that would have otherwise been terminated over the Local Interconnection Trunk Groups (defined as those local calls originating from full NXX codes assigned to TCG that are shown in the LERG as resident in TCG end offices on or before the effective date of this Agreement) shall involve compensation for local calls consistent with Section V.B of this Agreement;
2. TCG will not pay Pacific any charges (calculated on a pro-rated basis) for DID trunks (nor charges of any kind related to DID number blocks) over which Pacific delivers calls to TCG where those calls would otherwise have been delivered over the Local Interconnection Trunk Groups; and
3. once all of the Local Interconnection Trunk Groups are in service in a LATA and a coordinated cutover has occurred, TCG will issue disconnect orders for any of the DID trunks mentioned in Section X.2, above, in that LATA.

However, if the provisioning of the Local Interconnection Trunk Groups in a particular LATA is delayed by Pacific beyond March 1, 1996, then the terms of the preceding sentence shall apply until all of the initial Local Interconnection Trunk Groups in that

LATA are provisioned. If the agreed-upon due date for provisioning all of the Local Interconnection Trunk Groups in a particular LATA is missed because of delays by TCG, then the terms of the sentences above would not apply after the due date.

## XI. TRUNK FORECASTING

- A. The Parties shall work towards the development of joint forecasting responsibilities for traffic utilization over trunk groups. Orders for trunks that exceed forecasted quantities for forecasted locations will be accommodated as facilities and equipment are available. Intercompany forecast information must be provided by the Parties to each other twice a year. The semi-annual forecasts shall include:
1. Yearly forecasted trunk quantities (which include measurements that reflect actual tandem Local Interconnection and meet point trunks and tandem-subtending Local Interconnection end office equivalent trunk requirements) for a minimum of three (current and plus-1 and plus-2) years;
  2. The use of Common Language Location Identifier (CLLI-MSG), which are described in Bellcore documents BR 795-100-100 and BR 795-400-100;
  3. A description of major network projects anticipated for the following six months.
- B. If differences in semi-annual forecasts of the Parties vary by more than 24 additional DSO two-way trunks, the companies shall meet to reconcile the forecast to within 24 DSO trunks for each Local Interconnection Trunk Group.
- C. If a trunk group is under 75 percent of CCS capacity on a monthly average basis for each month of any six month period, either Party may issue an order to resize the trunk group, which shall be left with not less than 25 percent excess capacity. In all cases, grade of service objectives identified in Section XII following shall be maintained.
- D. Each Party shall provide a specified point of contact for planning, forecasting and trunk servicing purposes.

## XII. GRADE OF SERVICE

A blocking standard of one half of one percent (.005) during the average busy hour for final trunk groups between a TCG end office and a Pacific access tandem carrying meet point traffic shall be maintained. All other final trunk groups are to be engineered with a blocking standard of one percent (.01).

### XIII. TRUNK SERVICING

- A. Orders between the Parties to establish, add, change or disconnect trunks shall be processed by use of an Interconnection Service Request ("ISR").
- B. As discussed in this Agreement, both Parties will jointly manage the capacity of Local Interconnection Trunk Groups. Pacific's Circuit Provisioning Assignment Center ("CPAC") will send TCG a Trunk Group Service Request ("TGSR") to TCG to trigger changes Pacific desires to the Local Interconnection Trunk Groups based on Pacific's capacity assessment. TCG will issue an ISR to Pacific's Local Interconnection Service Center ("LISC"):
  - a) within 10 business days after receipt of the TGSR, upon review of and in response to Pacific's TGSR, or
  - b) at any time as a result of TCG's own capacity management assessment,to begin the provisioning process.
- C. Orders that comprise a major project shall be submitted at the same time, and their implementation shall be jointly planned and coordinated.
- D. TCG will be responsible for engineering its network on its side of the POI. Pacific will be responsible for engineering the POI and its network on its side of the POI.

### XIV. TROUBLE REPORTS

TCG and Pacific will cooperatively plan and implement coordinated repair procedures for the meet point and Local Interconnection Trunks and facilities to ensure trouble reports are resolved in a timely and appropriate manner

### XV. NETWORK MANAGEMENT

#### A. Protective Controls

Either Party may use protective network traffic management controls such as 7-digit and 10-digit code gaps on traffic toward each others network, when required to protect the public switched network from congestion due to facility failures, switch congestion or failure or focused overload. TCG and Pacific will immediately notify each other of any protective control action planned or executed

## B. Expansive Controls

Where the capability exists originating or terminating traffic reroutes may be implemented by either Party to temporarily relieve network congestion due to facility failures or abnormal calling patterns. Reroutes will not be used to circumvent normal trunk servicing. Expansive controls will only be used when mutually agreed to by the Parties.

## C. Mass Calling

TCG and Pacific shall cooperate and share pre-planning information regarding cross-network call-ins expected to generate large or focused temporary increases in call volumes, to prevent or mitigate the impact of these events on the public switched network.

## XVI. FORCE MAJEURE

Neither Party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such Party, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: fire, explosion, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, or ordinance of any government or legal body; strikes; or delays caused by the other Party or any other circumstances beyond the Party's reasonable control. In such event, the Party affected shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interference (and the other Party shall likewise be excused from performance of its obligations on a day-for-day basis to the extent such Party's obligations relate to the performance so interfered with). The affected Party shall use its best efforts to avoid or remove the cause of non-performance and both Parties shall proceed to perform with dispatch once the causes are removed or cease.

## XVII. COMMISSION DECISION

This Agreement shall at all times be subject to such changes or modifications by the Commission as said Commission may, from time to time, direct in the exercise of its jurisdiction. If any such modification renders the Agreement inoperable or creates any ambiguity or requirement for further amendment to the Agreement, the Parties will negotiate in good faith to agree upon any necessary amendments to the Agreement.

## XVIII. LIMITATION OF LIABILITY

Except as otherwise provided herein, neither Party shall be liable to the other in connection with the provision of use of services offered under this Agreement for indirect, incidental, consequential, special damages, including (without limitation) damages for lost profits, regardless of the form of action, whether in contract, indemnity, warranty, strict liability, or tort.

## **XIX. INDEMNITY**

Each Party shall indemnify and hold the other harmless from any liabilities, claims or demands (including the costs, expenses and reasonable attorney's fees on account thereof) that may be made by third parties for:

- a) personal injuries, including death, or
- b) damage to tangible property

resulting from the sole negligence and/or sole wilful misconduct of that Party, its employees or agents in the performance of this Agreement. Each Party shall defend the other at the other's request against any such liability, claim or demand. Each Party shall notify the other promptly of written claims or demands against such Party of which the other Party is solely responsible hereunder.

## **XX. ASSIGNMENT**

This Agreement may be assigned by either Party upon sixty (60) days advance written notice to the other Party.

## **XXI. DEFAULT**

If either Party believes the other is in breach of the agreement or otherwise in violation of law, it shall first give sixty (60) days' notice of such breach or violation and an opportunity for the allegedly defaulting Party to cure. Thereafter, the Parties shall employ the Dispute Resolution procedure set forth at pp. 36-39 of the Order.

## **XXII. NONDISCLOSURE**

- A. All information, including but not limited to specifications, microfilm, photocopies, magnetic disks, magnetic tapes, drawings, sketches, models, samples, tools, technical information, data, employee records, maps, financial reports, and market data, (i) furnished by one Party to the other Party dealing with customer specific, facility specific, or usage specific information, other than customer information communicated for the purpose of publication of directory database inclusion, or (ii) in written, graphic, electromagnetic, or other tangible form and marked at the time of delivery as "Confidential" or "Proprietary", or (iii) communicated orally and declared to the receiving Party at the time of delivery, or by written notice given to the receiving Party within ten (10) days after delivery, to be "Confidential" or "Proprietary" (collectively referred to as "Proprietary Information") shall remain the property of the disclosing Party.

- B. Upon request by the disclosing Party, the receiving Party shall return all tangible copies of Proprietary Information, whether written, graphic or otherwise, except that the receiving Party may retain one copy for archival purposes.
- C. Each Party shall keep all of the other Party's Proprietary Information confidential and shall use the other Party's Proprietary Information only for performing the covenants contained in the Agreement. Neither Party shall use the other Party's Proprietary Information for any other purpose except upon such terms and conditions as may be agreed upon between the Parties in writing.
- D. Unless otherwise agreed, the obligations of confidentiality and non-use set forth in this Agreement do not apply to such Proprietary Information as:
- (i) was at the time of receipt already known to the receiving Party free of any obligation to keep it confidential evidenced by written records prepared prior to delivery by the disclosing Party; or
  - (ii) is or becomes publicly known through no wrongful act of the receiving Party; or
  - (iii) is rightfully received from a third person having no direct or indirect secrecy or confidentiality obligation to the disclosing Party with respect to such information; or
  - (iv) is independently developed by an employee, agent, or contractor of the receiving Party which individual is not involved in any manner with the provision of services pursuant to the Agreement and does not have any direct or indirect access to the Proprietary Information; or
  - (v) is disclosed to a third person by the disclosing Party without similar restrictions on such third person's rights; or
  - (vi) is approved for release by written authorization of the disclosing Party; or
  - (vii) is required to be made public by the receiving Party pursuant to applicable law or regulation provided that the receiving Party shall give sufficient notice of the requirement to the disclosing Party to enable the disclosing Party to seek protective orders.
- E. **Effective Date Of This Section.** Notwithstanding any other provision of this Agreement, the Proprietary Information provisions of this Agreement shall apply to all information furnished by either Party to the other in furtherance of the purpose of this Agreement, even if furnished before the date of this Agreement.

### XXIII. DISPUTE RESOLUTION

The Parties agree that in the event of a default or violation hereunder, or for any dispute arising under this Agreement or related agreements the Parties may have in connection with this Agreement, the Parties shall first confer to discuss the dispute and seek resolution prior to taking any action before any court or regulator, or before authorizing any public statement about or authorizing disclosure of the nature of the dispute to any third party. Such conference shall occur at least at the Vice President level for each Party. In the case of Pacific, its Vice President for Local Competition, or equivalent officer, shall participate in the meet and confer meeting, and TCG Regional Vice President, Western Region, or equivalent officer, shall participate. Thereafter, the Parties will employ the Dispute Resolution procedures set forth in pp. 36-39 of the Order.

### XXIV. UNIQUE CIRCUMSTANCES

TCG and Pacific acknowledge that the terms of this Agreement are appropriate for initial tandem-level interconnections between the Parties, given the particular networks deployed by each and the need for swift deployment of interconnection trunks. This Agreement shall not, therefore, be considered precedential with regard to interconnection between any other parties.

### XXV. EXECUTION IN DUPLICATE

This Agreement may be executed in duplicate copies, and, upon said execution, shall be treated as an executed document.

### XXVI. NOTICES

Any notices required by or concerning this Agreement shall be sent to the Parties at the addresses shown below:

Pacific Bell  
Marlin Ard, Deputy General Counsel  
140 New Montgomery St., 16th Floor  
San Francisco, CA 94105

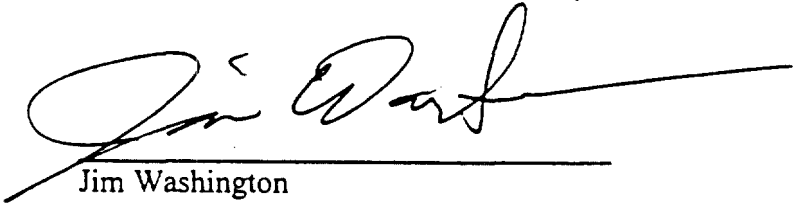
Teleport Communications Group  
Jim Washington  
Western Region Vice President  
Michael Morris, Director Regulatory Affairs  
201 North Civic Drive, Suite 210  
Walnut Creek, California 94596

Each Party shall inform the other of any changes in the above addresses.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.



Lee Bauman  
Vice President  
Local Competition  
Pacific Bell



Jim Washington  
Regional Vice President  
Western Region  
Teleport Communications Group  
On behalf of  
TCG-Los Angeles  
TCG-San Francisco  
TCG-San Diego

LOCAL INTERCONNECTION  
Bilateral Agreement Template/Worksheet

CLC: TCG

	Topic	Pacific Bell Reference(s)	CLC Reference(s)	Notes / Status
1	Internetwork provisioning information and guidelines.			
2	SS7 and other critical internetwork compatibility testing.			
3	Special protocol implementation agreements.			
4	Diversity requirements.			
5	Installation, maintenance guidelines and responsibilities.			

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# Bilateral Agreement Template

	Bilateral Agreement	Pacific Bell Reference(s)	CLC Reference(s)	Notes / Status
6	Network security requirements.			
7	Performance standards and service level agreements.			
8	Specific versions/issues of protocol or interface specifications.			
9	Maintenance procedures, including trouble reporting, status, etc.			
10	Internetwork trouble resolution and escalation procedures.			

# Bilateral Agreement Template

	Bilateral Agreement	Pacific Bell Reference(s)	CLC Reference(s)	Notes / Status
11	In-depth root cause analysis of significant failures.			
12	Explicit forecasting information re: direct and subtending traffic.			
13	Explicit expectations regarding interoperability testing requirements.			
14	Network management (network element growth, NPA splits, etc.).			
15	Operating procedures.			

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# Bilateral Agreement Template

	Bilateral Agreement	Pacific Bell Reference(s)	CLC Reference(s)	Notes / Status
16	Routing and screening administration.			
17	Synchronization design and Company-wide coordinator(s).			
18	Performance requirements.			
19	Responsibility assignment (facility assignment, testing, control, etc.).			
20	Information sharing for analysis and problem identification.			

# Bilateral Agreement Template

	Bilateral Agreement	Pacific Bell Reference(s)	CLC Reference(s)	Notes / Status
21	Network transition and service rearrangement management.			
22	Calling Party Number privacy management.			
23	Traffic engineering design criteria and capacity management.			
24	Tones and announcements for unsuccessful call attempts.			
25	Mutual aid agreement(s).			

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# Bilateral Agreement Template

	Bilateral Agreement	Pacific Bell Reference(s)	CLC Reference(s)	Notes / Status
26	Emergency communications plan.			
27	Billing records data exchange.			
28	Pre-cutover internetwork trunk testing.			

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